GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA

UNSTARRED QUESTION NO:160
ANSWERED ON:13.08.2007
LOANS TO FARMERS
Reddy Shri Mekapati Rajamohan

Will the Minister of AGRICULTURE be pleased to state:

(a) whether the farmers who could not repay their loans upto June 07 taken last year have been deprived of fresh loans this Kharif season; and

(b) if so, the manner in which Government propose to help such farmers in the country?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI KANTI LAL BHURIA)

(a) & (b): As per extant banking practice, the banks have discretion to deny fresh credit to the defaulters. However, in the event of natural calamities, extant guidelines issued by Reserve Bank of India for providing relief in areas affected by natural calamities are followed by Banks.

The guidelines, inter-alia, permit banks to :

(i) Convert/reschedule loans in the event of natural calamity for periods ranging from 3 to 9 years, depending upon the successive crop failure/intensity of damage to crops;
(ii) Grant fresh crop loans to affected farmers.